

B1 (Official Form 1)(4/10)

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| <b>United States Bankruptcy Court</b><br><b>Eastern District of Washington</b> | <b>Voluntary Petition</b> |
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| Name of Debtor (if individual, enter Last, First, Middle):<br><b>Larasco, Inc.</b> | Name of Joint Debtor (Spouse) (Last, First, Middle): |
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| All Other Names used by the Debtor in the last 8 years (include married, maiden, and trade names):<br><b>FKA Puget Sound Leasing Co., Inc.</b> | All Other Names used by the Joint Debtor in the last 8 years (include married, maiden, and trade names): |
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| Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all):<br><b>91-1294967</b> | Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all): |
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| Street Address of Debtor (No. and Street, City, and State):<br><b>185 NE Gilman Blvd.</b><br><b>Issaquah, WA</b><br>ZIP Code: <b>98027</b> | Street Address of Joint Debtor (No. and Street, City, and State):<br><br>ZIP Code: |
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| County of Residence or of the Principal Place of Business:<br><b>King</b> | County of Residence or of the Principal Place of Business: |
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| Mailing Address of Debtor (if different from street address):<br><b>PO Box 2096</b><br><b>Issaquah, WA</b><br>ZIP Code: <b>98027</b> | Mailing Address of Joint Debtor (if different from street address):<br><br>ZIP Code: |
|--|--|

Location of Principal Assets of Business Debtor (if different from street address above):

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|---|---|---|
| <b>Type of Debtor</b><br>(Form of Organization)<br>(Check one box)  | <b>Nature of Business</b><br>(Check one box)  | <b>Chapter of Bankruptcy Code Under Which the Petition is Filed</b><br>(Check one box)  |
| <input type="checkbox"/> Individual (includes Joint Debtors)<br><i>See Exhibit D on page 2 of this form.</i><br><input checked="" type="checkbox"/> Corporation (includes LLC and LLP)<br><input type="checkbox"/> Partnership<br><input type="checkbox"/> Other (If debtor is not one of the above entities, check this box and state type of entity below.) | <input type="checkbox"/> Health Care Business<br><input type="checkbox"/> Single Asset Real Estate as defined in 11 U.S.C. § 101 (51B)<br><input type="checkbox"/> Railroad<br><input type="checkbox"/> Stockbroker<br><input type="checkbox"/> Commodity Broker<br><input type="checkbox"/> Clearing Bank<br><input checked="" type="checkbox"/> Other<br><br><b>Tax-Exempt Entity</b><br>(Check box, if applicable)<br><input type="checkbox"/> Debtor is a tax-exempt organization under Title 26 of the United States Code (the Internal Revenue Code). | <input type="checkbox"/> Chapter 7<br><input type="checkbox"/> Chapter 9<br><input checked="" type="checkbox"/> Chapter 11<br><input type="checkbox"/> Chapter 12<br><input type="checkbox"/> Chapter 13<br><br><input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Main Proceeding<br><input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Nonmain Proceeding |
| <input type="checkbox"/> Debts are primarily consumer debts, defined in 11 U.S.C. § 101(8) as "incurred by an individual primarily for a personal, family, or household purpose."   |   | <input checked="" type="checkbox"/> Debts are primarily business debts.   |

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| <b>Filing Fee (Check one box)</b><br><input checked="" type="checkbox"/> Full Filing Fee attached<br><input type="checkbox"/> Filing Fee to be paid in installments (applicable to individuals only). Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1006(b). See Official Form 3A.<br><input type="checkbox"/> Filing Fee waiver requested (applicable to chapter 7 individuals only). Must attach signed application for the court's consideration. See Official Form 3B. | <b>Chapter 11 Debtors</b><br>Check one box:<br><input type="checkbox"/> Debtor is a small business debtor as defined in 11 U.S.C. § 101(51D).<br><input checked="" type="checkbox"/> Debtor is not a small business debtor as defined in 11 U.S.C. § 101(51D).<br>Check if:<br><input type="checkbox"/> Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$2,343,300 (amount subject to adjustment on 4/01/13 and every three years thereafter).<br>Check all applicable boxes:<br><input type="checkbox"/> A plan is being filed with this petition.<br><input type="checkbox"/> Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b). |
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| <b>Statistical/Administrative Information</b><br><input checked="" type="checkbox"/> Debtor estimates that funds will be available for distribution to unsecured creditors.<br><input type="checkbox"/> Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors.  | THIS SPACE IS FOR COURT USE ONLY |
| <b>Estimated Number of Creditors</b><br><input checked="" type="checkbox"/> 1-49 <input type="checkbox"/> 50-99 <input type="checkbox"/> 100-199 <input type="checkbox"/> 200-999 <input type="checkbox"/> 1,000-5,000 <input type="checkbox"/> 5,001-10,000 <input type="checkbox"/> 10,001-25,000 <input type="checkbox"/> 25,001-50,000 <input type="checkbox"/> 50,001-100,000 <input type="checkbox"/> OVER 100,000  |                                  |
| <b>Estimated Assets</b><br><input type="checkbox"/> \$0 to \$50,000 <input type="checkbox"/> \$50,001 to \$100,000 <input type="checkbox"/> \$100,001 to \$500,000 <input type="checkbox"/> \$500,001 to \$1 million <input checked="" type="checkbox"/> \$1,000,001 to \$10 million <input type="checkbox"/> \$10,000,001 to \$50 million <input type="checkbox"/> \$50,000,001 to \$100 million <input type="checkbox"/> \$100,000,001 to \$500 million <input type="checkbox"/> \$500,000,001 to \$1 billion <input type="checkbox"/> More than \$1 billion      |                                  |
| <b>Estimated Liabilities</b><br><input type="checkbox"/> \$0 to \$50,000 <input type="checkbox"/> \$50,001 to \$100,000 <input type="checkbox"/> \$100,001 to \$500,000 <input type="checkbox"/> \$500,001 to \$1 million <input checked="" type="checkbox"/> \$1,000,001 to \$10 million <input type="checkbox"/> \$10,000,001 to \$50 million <input type="checkbox"/> \$50,000,001 to \$100 million <input type="checkbox"/> \$100,000,001 to \$500 million <input type="checkbox"/> \$500,000,001 to \$1 billion <input type="checkbox"/> More than \$1 billion |                                  |

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| <b>Voluntary Petition</b><br><i>(This page must be completed and filed in every case)</i>   |   | Name of Debtor(s):<br><b>Larasco, Inc.</b> |  |
| <b>All Prior Bankruptcy Cases Filed Within Last 8 Years (If more than two, attach additional sheet)</b>   |   |  |  |
| Location Where Filed: - None -  | Case Number:  | Date Filed:                                |  |
| Location Where Filed:   | Case Number:  | Date Filed:                                |  |
| <b>Pending Bankruptcy Case Filed by any Spouse, Partner, or Affiliate of this Debtor (If more than one, attach additional sheet)</b>  |   |  |  |
| Name of Debtor:<br>- None -   | Case Number:  | Date Filed:                                |  |
| District:   | Relationship:   | Judge:                                     |  |
| <b>Exhibit A</b><br><br>(To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11.)<br><br><input type="checkbox"/> Exhibit A is attached and made a part of this petition.  | <b>Exhibit B</b><br><small>(To be completed if debtor is an individual whose debts are primarily consumer debts.)</small><br>I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter. I further certify that I delivered to the debtor the notice required by 11 U.S.C. §342(b).<br><br><b>X</b> _____<br>Signature of Attorney for Debtor(s) (Date) |  |  |
| <b>Exhibit C</b>  |   |  |  |
| Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety?<br><input type="checkbox"/> Yes, and Exhibit C is attached and made a part of this petition.<br><input checked="" type="checkbox"/> No.  |   |  |  |
| <b>Exhibit D</b>  |   |  |  |
| (To be completed by every individual debtor. If a joint petition is filed, each spouse must complete and attach a separate Exhibit D.)<br><input type="checkbox"/> Exhibit D completed and signed by the debtor is attached and made a part of this petition.<br>If this is a joint petition:<br><input type="checkbox"/> Exhibit D also completed and signed by the joint debtor is attached and made a part of this petition.   |   |  |  |
| <b>Information Regarding the Debtor - Venue</b><br>(Check any applicable box)   |   |  |  |
| <input checked="" type="checkbox"/> Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District.<br><input type="checkbox"/> There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.<br><input type="checkbox"/> Debtor is a debtor in a foreign proceeding and has its principal place of business or principal assets in the United States in this District, or has no principal place of business or assets in the United States but is a defendant in an action or proceeding [in a federal or state court] in this District, or the interests of the parties will be served in regard to the relief sought in this District. |   |  |  |
| <b>Certification by a Debtor Who Resides as a Tenant of Residential Property</b><br>(Check all applicable boxes)  |   |  |  |
| <input type="checkbox"/> Landlord has a judgment against the debtor for possession of debtor's residence. (If box checked, complete the following.)   |   |  |  |
| _____<br>(Name of landlord that obtained judgment)  |   |  |  |
| _____<br>(Address of landlord)  |   |  |  |
| <input type="checkbox"/> Debtor claims that under applicable nonbankruptcy law, there are circumstances under which the debtor would be permitted to cure the entire monetary default that gave rise to the judgment for possession, after the judgment for possession was entered, and<br><input type="checkbox"/> Debtor has included in this petition the deposit with the court of any rent that would become due during the 30-day period after the filing of the petition.<br><input type="checkbox"/> Debtor certifies that he/she has served the Landlord with this certification. (11 U.S.C. § 362(f)).  |   |  |  |

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| <p><b>Voluntary Petition</b></p> <p><i>(This page must be completed and filed in every case)</i></p>   | <p>Name of Debtor(s):<br/><b>Larasco, Inc.</b></p>  |
| <p align="center"><b>Signature(s) of Debtor(s) (Individual/Joint)</b></p> <p>I declare under penalty of perjury that the information provided in this petition is true and correct.<br/>[If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7.<br/>[If no attorney represents me and no bankruptcy petition preparer signs the petition] I have obtained and read the notice required by 11 U.S.C. §342(b).</p> <p>I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.</p> <p><input checked="" type="checkbox"/> _____<br/>Signature of Debtor</p> <p><input checked="" type="checkbox"/> _____<br/>Signature of Joint Debtor</p> <p>_____<br/>Telephone Number (if not represented by attorney)</p> <p>_____<br/>Date</p> | <p align="center"><b>Signatures</b></p> <p align="center"><b>Signature of a Foreign Representative</b></p> <p>I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign proceeding, and that I am authorized to file this petition.</p> <p>(Check only one box.)</p> <p><input type="checkbox"/> I request relief in accordance with chapter 15 of title 11, United States Code. Certified copies of the documents required by 11 U.S.C. §1515 are attached.</p> <p><input type="checkbox"/> Pursuant to 11 U.S.C. §1511, I request relief in accordance with the chapter of title 11 specified in this petition. A certified copy of the order granting recognition of the foreign main proceeding is attached.</p> <p><input checked="" type="checkbox"/> _____<br/>Signature of Foreign Representative</p> <p>_____<br/>Printed Name of Foreign Representative</p> <p>_____<br/>Date</p>  |
| <p align="center"><b>Signature of Attorney*</b></p> <p><input checked="" type="checkbox"/> _____<br/>Signature of Attorney for Debtor(s)<br/><b>John D. Munding</b><br/>Printed Name of Attorney for Debtor(s)<br/><b>Crumb &amp; Munding</b><br/>Firm Name<br/><b>Davenport Tower, PH 2290</b><br/><b>111 S. Post Street</b><br/><b>Spokane, WA 99201</b><br/>Address</p> <p>_____<br/>Telephone Number<br/><b>5127110</b></p> <p>_____<br/>Date</p> <p><small>*In a case in which § 707(b)(4)(D) applies, this signature also constitutes a certification that the attorney has no knowledge after an inquiry that the information in the schedules is incorrect.</small></p>  | <p align="center"><b>Signature of Non-Attorney Bankruptcy Petition Preparer</b></p> <p>I declare under penalty of perjury that: (1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; (2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(h), and 342(b); and, (3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110(h) setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required in that section. Official Form 19 is attached.</p> <p>_____<br/>Printed Name and title, if any, of Bankruptcy Petition Preparer</p> <p>_____<br/>Social Security number (If the bankruptcy petition preparer is not an individual, state the Social Security number of the officer, principal, responsible person or partner of the bankruptcy petition preparer.)(Required by 11 U.S.C. § 110.)</p> <p>_____<br/>Address</p> <p><input checked="" type="checkbox"/> _____<br/>Date</p> <p>Signature of Bankruptcy Petition Preparer or officer, principal, responsible person, or partner whose Social Security number is provided above.</p> <p>Names and Social Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual:</p> <p>_____<br/>If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person.</p> <p><small>A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both 11 U.S.C. §110; 18 U.S.C. §156.</small></p> |
| <p align="center"><b>Signature of Debtor (Corporation/Partnership)</b></p> <p>I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor.</p> <p>The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.</p> <p><input checked="" type="checkbox"/> _____<br/>Signature of Authorized Individual<br/><b>Richard A. Secord</b><br/>Printed Name of Authorized Individual<br/><b>President</b><br/>Title of Authorized Individual</p> <p>_____<br/>Date</p>   |   |

RESOLUTIONS OF THE  
BOARD OF DIRECTORS OF  
LARASCO, INC.

WHEREAS, Larasco, Inc. (the "Company") is experiencing financial difficulties that have jeopardized the Company's ability to carry out its corporate purpose; and

WHEREAS, it is the collective opinion of the Board of Directors of the Company that the only reasonable and prudent response to its current financial situation to file a voluntary petition in bankruptcy seeking protection and reorganization under Chapter 11 of the United States Bankruptcy Code; and

WHEREAS, the Company, through its officers, have selected the law firm of Crumb & Munding, P.S. as the attorneys it desires to represent its interest in the Chapter 11 proceeding; and

WHEREAS, Crumb & Munding, P.S. has requested, and the Company through its officers has agreed, that the Company will fund a retainer in favor of Crumb & Munding, P.S. in the an amount to be agreed upon by the Company and Crumb & Munding, P.S.;

NOW, THEREFORE, the undersigned, being all of the Directors of the Company, unanimously consent to the following corporate action:

RESOLVED, that the Company shall employ the law firm of Crumb & Munding, P.S. to represent it in the Chapter 11 proceeding, and shall seek to have that employment approved by the Bankruptcy Court as soon as is practicable; and it is

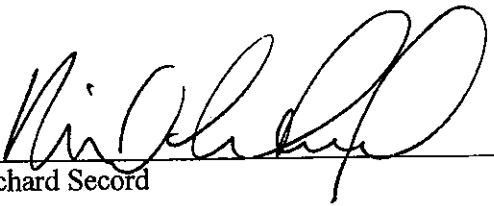
FURTHER RESOLVED, that the Company is hereby authorized to pay to Crumb & Munding, P.S. an additional retainer, in a total amount to be agreed upon by the parties, from the operating revenues of the Company or other appropriate source of funds; and it is

FURTHER RESOLVED, that the Company, acting through its president, Richard Secord, is hereby authorized to retain such other professional consultants on such terms of employment as are required in order to act in the best interests of the Company prosecuting in the Chapter 11 proceeding; and it is

FURTHER RESOLVED, that Richard Secord, as president, be and is hereby authorized and directed to take such steps and execute such documentation as is required in order to effectuate any and all of the foregoing; and it is

FURTHER RESOLVED, that Richard Secord, as president, is hereby authorized and directed to cause the Company to file a Chapter 11 bankruptcy.

DATED this 25<sup>th</sup> day of May, 2010.

  
Richard Secord

B4 (Official Form 4) (12/07)

**United States Bankruptcy Court**  
**Eastern District of Washington**

In re Larasco, Inc.

Debtor(s)

Case No. \_\_\_\_\_

Chapter 11

**LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS**

Following is the list of the debtor's creditors holding the 20 largest unsecured claims. The list is prepared in accordance with Fed. R. Bankr. P. 1007(d) for filing in this chapter 11 [or chapter 9] case. The list does not include (1) persons who come within the definition of "insider" set forth in 11 U.S.C. § 101, or (2) secured creditors unless the value of the collateral is such that the unsecured deficiency places the creditor among the holders of the 20 largest unsecured claims. If a minor child is one of the creditors holding the 20 largest unsecured claims, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See 11 U.S.C. § 112; Fed. R. Bankr. P. 1007(m).

| (1)   | (2)  | (3)   | (4)  | (5)   |
|---|--|---|--|---|
| <i>Name of creditor and complete mailing address including zip code</i>                               | <i>Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted</i> | <i>Nature of claim (trade debt, bank loan, government contract, etc.)</i> | <i>Indicate if claim is contingent, unliquidated, disputed, or subject to setoff</i> | <i>Amount of claim [if secured, also state value of security]</i> |
| Cairncross & Hempelmann, P.S.<br>Attn: Diana Shukis<br>524 Second Ave. #500<br>Seattle, WA 98104-2323 | Cairncross & Hempelmann, P.S.<br>Attn: Diana Shukis<br>524 Second Ave. #500<br>Seattle, WA 98104-2323<br>206-587-0700; fax 206-587-2308                                | Legal fees  |  | 800,000.00  |
| Coram Deo Consulting<br>Attn: Steve Roberts<br>4580 Klahanie Dr. SE #411<br>Issaquah, WA 98029        | Coram Deo Consulting<br>Attn: Steve Roberts<br>4580 Klahanie Dr. SE #411<br>Issaquah, WA 98029<br>425-868-3330; fax 425-868-3330                                       |   |  | 131,083.00  |
| First Sound Bank<br>c/o Richard C. Yarmuth<br>818 Stewart St. #1400<br>Seattle, WA 98101              | First Sound Bank<br>c/o Richard C. Yarmuth<br>818 Stewart St. #1400<br>Seattle, WA 98101<br>206-516-3800   |   | Contingent<br>Unliquidated<br>Disputed   | 13,000,000.00   |
| HSBC Bank USA, NA<br>Special Credit Unit<br>8 East 40th Street, Fl 3<br>New York, NY 10016            | Tom Nolan, VP<br>HSBC Bank USA, NA<br>Special Credit Unit<br>8 East 40th Street, Fl 3<br>New York, NY 10016<br>212-525-1491  | Waipouli Beach<br>Res. A104 Condo   |  | 1,314,000.00<br><br>(0.00 secured)                                |
| HSBC Bank USA, NA<br>Special Credit Unit<br>8 East 40th Street, Fl 3<br>New York, NY 10016            | Tom Nolan, VP<br>HSBC Bank USA, NA<br>Special Credit Unit<br>8 East 40th Street, Fl 3<br>New York, NY 10016<br>212-525-1491  | Waipouli Beach<br>H402 Condo 50%  |  | 1,300,000.00<br><br>(0.00 secured)                                |
| Wells Fargo Equipment Finance<br>c/o Alan L. Kildow<br>90 S 7th Street #5100<br>Minneapolis, MN 55402 | Wells Fargo Equipment Finance<br>c/o Alan L. Kildow<br>90 S 7th Street #5100<br>Minneapolis, MN 55402<br>612-524-3000  |   | Contingent<br>Unliquidated<br>Disputed   | 3,100,000.00  |
|   |  |   |  |   |
|   |  |   |  |   |

**United States Bankruptcy Court  
Eastern District of Washington**


In re Larasco, Inc. \_\_\_\_\_  
Debtor(s)

Case No. \_\_\_\_\_  
Chapter 11

**VERIFICATION OF CREDITOR MATRIX**

I, the President of the corporation named as the debtor in this case, hereby verify that the attached list of creditors is true and correct to the best of my knowledge.

Date: 5/25/10

  
\_\_\_\_\_  
Richard A. Secord/President  
Signer/Title

Larasco, Inc.  
PO Box 2096  
Issaquah, WA 98027

Internal Revenue Service  
Jackson Federal Bldg  
915 2nd Ave M/S W243  
Seattle, WA 98174

WA Attorney General  
Bankruptcy & Collections Unit  
800 5th Ave #2000  
Seattle, WA 98104

Cairncross & Hempelmann, P.S.  
Attn: Diana Shukis  
524 Second Ave. #500  
Seattle, WA 98104-2323

Coram Deo Consulting  
Attn: Steve Roberts  
4580 Klahanie Dr. SE #411  
Issaquah, WA 98029

First Sound Bank  
c/o Richard C. Yarmuth  
818 Stewart St. #1400  
Seattle, WA 98101

HSBC Bank USA, NA  
Special Credit Unit  
8 East 40th Street, Fl 3  
New York, NY 10016

Wells Fargo Equipment Finance  
c/o Alan L. Kildow  
90 S 7th Street #5100  
Minneapolis, MN 55402